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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re	:	Chapter 11
	:	
SEARS HOLDINGS CORPORATION, et al.,	:	Case No. 18-23538 (SHL)
	:	
Liquidating Debtors.¹	:	(Jointly Administered)
	:	
-----	X	

**NOTICE OF PROPOSED ORDER GRANTING DEBTORS'
EIGHTEENTH OMNIBUS OBJECTION TO PROOFS OF CLAIM OR BALLOTS
(REDUCE OR RECLASSIFY CLAIMS/BALLOTS) AS TO CLAIMS 20119 AND 20121**

WHEREAS, on April 22, 2020, the above-captioned debtors filed the *Debtors'*

Eighteenth Omnibus Objection to Proofs of Claim or Ballots (Reduce or Reclassify

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, were as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is c/o M-III Partners, L.P., 1700 Broadway, 19th Floor, New York, NY 10019.

Claims/Ballots) [ECF No. 7859] (the “**Objection**”), seeking to reclassify, among others, proofs of claim numbered 20119 and 20121 filed by the Puerto Rico Electric Power Authority against, respectively, Debtors Kmart Corporation and Sears, Roebuck de Puerto Rico, Inc., each in the amount of \$530,672.70, which PREPA asserted as being entitled to administrative priority;

WHEREAS, PREPA responded to the Objection (the “**Response**”) [ECF No. 7985] on May 27, 2020, the Debtors filed a reply to the Response [ECF No. 10168] on December 16, 2021, and PREPA and the Liquidating Trustee notified the Court on November 18, 2022 [ECF No. 10733], that the parties agreed to submit the Objection to the Court for a decision on the basis of the pleadings, without oral argument or a hearing unless requested by the Court;

WHEREAS, on May 15, 2023, the Court issued a Memorandum of Decision [ECF No. 10846] which granted the Objection;

NOW THEREFORE PLEASE TAKE NOTICE that, at the Court’s direction, SRZ Liquidating Trust, as successor in interest to the debtors in the above-captioned chapter 11 cases will present the proposed order attached hereto as **Exhibit 1** to the Honorable Sean H. Lane, United States Bankruptcy Judge, for signature on May 22, 2023 at 10:00 a.m. (Eastern Time).

Dated: May 17, 2023
New York, New York

/s/ Garrett A. Fail
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Exhibit 1

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
SEARS HOLDINGS CORPORATION, et al.,	:	Case No. 18-23538 (SHL)
	:	
Liquidating Debtors.¹	:	(Jointly Administered)
	:	
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**PROPOSED ORDER GRANTING DEBTORS’
EIGHTEENTH OMNIBUS OBJECTION TO PROOFS OF CLAIM OR BALLOTS
(REDUCE OR RECLASSIFY CLAIMS/BALLOTS) AS TO CLAIMS 20119 AND 20121**

Upon consideration of the *Debtors’ Eighteenth Omnibus Objection to Proofs of Claim or Ballots (Reduce or Reclassify Claims/Ballots)*, filed April 22, 2020 (the “**Objection**”),² filed by Sears Holdings Corporation and its debtor affiliates in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), pursuant to sections 502 and 503 of title 11 of the United States Code (the “**Bankruptcy Code**”), and Rule 3007 of the Federal Rules

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is c/o M-III Partners, L.P., 1700 Broadway, 19th Floor, New York, NY 10019.

² Capitalized terms not otherwise herein defined shall have the meanings ascribed to such terms in the Objection.

of Bankruptcy Procedures (the “**Bankruptcy Rules**”), for an order, seeking to, among other things, seeking to reclassify proofs of claim numbered 20119 and 20121 (together, the “**Claims**”) filed by the Puerto Rico Electric Power Authority (“**PREPA**”) against, respectively, Debtors Kmart Corporation and Sears, Roebuck de Puerto Rico, Inc., in the amount of \$530,672.70, which PREPA asserted as being entitled to administrative priority claims for unpaid electricity expenses incurred prior to the Debtors’ filing for bankruptcy; and upon consideration of the response to the Objection [ECF No. 7985] filed by PREPA on May 27, 2020 and reply [ECF No. 10168] filed by the Debtors on December 16, 2021; and the Court having jurisdiction to consider the Objection and the relief requested therein in accordance with 28 U.S.C. §§ 157(a)-(b) and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Objection and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the relief requested in the Objection, it appearing that no other or further notice need be provided under the Amended Case Management Order, and such notice having been adequate and appropriate under the circumstances; and whereas for the reasons set forth in the Court’s May 15, 2023 *Memorandum of Decision* [ECF No. 10846], the legal and factual bases set forth in the Objection and the Debtors’ reply as to the Claims establish good and sufficient cause for the relief granted herein; now, therefore

IT IS HEREBY ORDERED THAT:

1. The Objection to the Claims is granted.
2. Pursuant to Section 502 of the Bankruptcy Code and Bankruptcy Rule 3007, the Claims are hereby reclassified to general unsecured claims.

3. The Liquidating Trustee, as successor-in-interest to the Debtors, the claims and noticing agent, and the Clerk of this Court are authorized to take all actions necessary or appropriate to give effect to this Order

4. The terms and conditions of this Order are effective immediately upon entry.

5. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this order.

Dated: _____, 2023
White Plains, New York

THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE